

Message Text

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ACTION NEA-10

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ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FEAE-00 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00

NSC-05 OMB-01 PM-04 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 FTC-01 JUSE-00 PA-01 PRS-01 SCA-01 SCS-03

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FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC IMMEDIATE 3387

C O N F I D E N T I A L ALGIERS 3398

E.O. 11652: GDS

TAGS: ENRG, CPRS, CASC, AG

SUBJECT: CHEMICO DEPARTURE FROM ALGERIA

REF: ALGIERS 3321

SUMMARY. FOLLOWING FIRE LAST WEEK AT CHEMICO ARZEW SITE WHICH REPORTEDLY DESTROYED IMPORTANT FINANCIAL AND ENGINEERING RECORDS, SONATRACH SOUGHT AND HAS NOW RECEIVED COURT ORDER GIVING IT CONTROL OF CHEMICO ASSETS IN ALGIERA. SONATRACH LAWYERS ASSURE US DEPARTURE OF CHEMICO PERSONNEL WILL PROCEED NORMALLY DESPITE RUMORS TO CONTRARY. END SUMMARY.

1. ON NOVEMBER 20, ALGERIAN COURT HANDED DOWN DECISION ORDERING EVACUATION AND DISPOSSESSION BY CHEMICO PERSONNEL OF BUILDINGS, AUTOMOBILES AND DWELLINGS UNDER CHEMICO JURISDICTION IN ARZEW LNG PLANT AREA. CHEMICO BANK ACCOUNTS IN ALGERIA WERE ALSO BLOCKED.

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2. JOSEPH MCGLAUGHLIN, SONATRACH LAWYER FROM US FIRM SHEARMAN

AND STERLING, WHO PARTICIPATED IN SEEKING COURT ORDER TOLD EMBOFF NOV. 21 THAT SPECIAL PAINS HAD BEEN TAKEN IN DRAFTING ORDER TO ENSURE THAT THERE WOULD BE NO DIFFICULTY FOR AMERICANS STILL AT ARZEW. AMERICANS WOULD HAVE QTE REASONABLE TIME UNQTE TO VACATE HOUSES AND WOULD BE ALLOWED USE CHEMICO VEHICLES WHILE THEY REMAINED. THOSE AMERICANS THAT WISHED TO VOLUNTEER THEIR SERVICES TO STAY ON IN ALGERIA AND WORK FOR COMPANY WHICH SUCCEEDS CHEMICO WOULD BE GIVEN QTE SPECIAL CONSIDERATION UNQTE.

3. ACCORDING MCGLAUGHLIN, SONATRACH SOUGHT COURT ORDER FOLLOWING FIRE LAST WEEK AT CHEMICO CONSTRUCTION HEADQUARTERS ON SITE. FIRE REPORTEDLY DESTROYED CHEMICO FINANCIAL RECORDS AND SOME IMPORTANT ENGINEERING PLANS. SONATRACH UNDERSTANDABLY ANXIOUS, MCGLAUGHLIN SAID, TO PREVENT FURTHER DETERIORATION OF PROJECT.

4. EMBASSY RECEIVED PHONE CALL FROM EVERETT LOWE, CORPORATE COUNSEL OF AEROJET/GENERAL TIRE MORNING NOV. 21. LOWE WAS AT PARIS AIRPORT PREPARING TO LEAVE FOR LOS ANGELES. LOWE SERIOUSLY CONCERNED THAT CHEMICO PEOPLE WOULD NOT BE ABLE PURCHASE AIRLINE TICKETS OUT OF ALGERIA BECAUSE OF BLOCKAGE OF FUNDS. HE FEARED SONATRACH WOULD SEIZE FUNDS, WIRED IN FOR TICKETS AND ASKED FOR EMBASSY COOPERATION IN PURCHASE OF TICKETS. DANEIL EDMONDSON, ANOTHER SHEARMAN AND STERLING LAWYER, ASSURED EMBOFF, HOWEVER, THAT SUCH ACTION BY SONATRACH WOULD BE DIRECTLY CONTRARY TO WHAT HE KNEW TO BE SONATRACH'S INTENTION -- I.E. ORDERLY DEPARTURE OF CHEMICO PERSONNEL FROM ALGERIA.

5. COMMENT: NEITHER EMBASSY NOR AMCONSUL ORAN HAS THUS FAR HEARD ANY REPORTS OF HARASSMENT OF CHEMICO PERSONNEL OR OF ANY DIFFICULTIES NOT ACCOUNTED FOR BY NORMAL ALGERIAN RED TAPE. WE SUGGEST THAT DEPARTMENT RESPOND TO ANY DIRECT APPROACH FROM CHEMICO TO EFFECT THAT SONATRACH HAS SAID (REFTEL PARA 6) AND ITS LAWYERS HAVE CONFIRMED THAT CHEMICO PERSONNEL ARE FREE TO LEAVE ALGERIA WITH PERSONAL PROPERTY AND THUS FAR DEPARTURE PROCEEDING NORMALLY. EMBASSY PREPARED TO ASSIST IF DIFFICULTIES SHOULD ARISE AND CONSUL IN ORAN IS MONITORING SITUATION CLOSELY.

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